

LNF & IHCIF Calculations Illustration - CLAREMORE in Oklahoma area -

Given Data

- 40,042 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 26% = % Expenditures on purchased services, 74% = % expenditures in-house
- 88.2% = Cost index for purchasing health care in this geographic area
- 82.7% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$686 per person for purchased services = $26\% * 88.2\% * \$2,980$
- \$1,822 per person for in-house services = $74\% * 82.7\% * \$2,980$
- \$2,508 per person total = \$686 (purchase) + \$1,822 (in-house)
- **\$2,431 per person total** adjusted for health status = $\$2,508 * 96.9\%$
- **\$1,686 per person net cost** = $\$2,431 - \745 Other resources (M&M&PI)

Existing Expenditures (for 40,042 users excluding wrap-around and collections)

- \$543 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$674 per person for OU users** = $\$543 + \$77 + \$54$

LNF Calculation

- **27.7% Gross LNF** = $\$674$ (expenditures) / $\$2,431$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **40.0% Net LNF** = $\$674 / \$1,686$ net cost ($\$2,431 - \745 other)

IHCIF Allocation

- \$13,514,457 = \$ to raise LNF% from 40.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$471,384 Allocation** = $\$13,514,457$ needed for 60% * 3.488% IHCIF fraction

CLAREMORE Unmet Needs

- **\$67,511,836 Net Total Need** = 40,042 users * \$1,686 net cost
- **\$40,519,192 Net Unmet Need** = $(100\% - 40.0\% \text{ LNF}) * 40,042 \text{ users} * \$1,686 \text{ net cost}$